

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 597** HLS 17RS 752
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 12, 2017 3:30 PM	Author: BAGLEY
Dept./Agy.: Dept. of Public Safety, Public Safety Services	Analyst: Zachary Rau
Subject: Elimination of Requirement for Inspection Stickers	

MTR VEHICLE/INSPECTION OR SEE FISC NOTE SG RV Page 1 of 1
 Eliminates the inspection sticker requirement for certain vehicles

Present law requires all vehicles to obtain an inspection sticker for a fee of \$10 annually, with \$5.25 being remitted to the Dept. of Public Safety, Public Safety Services. Proposed law eliminates present law requiring all assembled vehicles to obtain an inspection sticker and requires only commercial vehicles and student transportation vehicles to obtain an inspection sticker. Proposed law requires vehicles registered in parishes subject to provisions of the US Clean Air Act to obtain emissions inspections as required by federal law. Proposed law allows the Dept. of Public to collect an annual fee of \$5.25 in addition to the motor vehicle license tax. Proposed law state that \$1.25 of the fee be directed to the Office of Motor Vehicles and \$4.00 be directed to the Office of State Police. Proposed law eliminates law enforcement's ability to require drivers to submit to a vehicle inspection and test.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Proposed law will not affect SGR collections for the Dept. of Public Safety in the aggregate, but may alter timelines in which revenues are collected. The proposed legislation eliminates the requirement that all vehicles registered in Louisiana obtain an inspection sticker, limiting the requirement to only commercial motor vehicles and student transportation vehicles.

Presently inspection stickers carry a fee of \$10 per year, with \$5.25 being retained by the Dept. of Public Safety (DPS). Of the \$5.25 retained by the department, \$1.25 is allocated to the Office of Motor Vehicles and \$4.00 is allocated to the Office of State Police. Proposed law eliminates the requirement for all vehicles to obtain an inspection sticker, but retains the \$5.25 annual fee for vehicles not required to obtain the the aforementioned sticker. Furthermore, proposed law further states that motorists must remit the \$5.25 annual fee in addition to the vehicle license tax pursuant to LA R.S. 47:463, which is collected every two years. Therefore, motorists would remit an additional \$10.50 (\$5.25 annual fee paid every 2 years) with their vehicle license tax payment.

As a result, proposed law will not affect DPS' revenue collections in the aggregate, though collecting the \$5.25 fee with the vehicle license tax may affect the timing of the department collecting the revenue, as motorists will remit the fee every two years instead of annually. The extent to which this timeline change will affect revenues for the department is indeterminable and dependent upon the number of vehicles registered in a given year.

Note 1: The Dept. of Public Safety reports potential constitutional issues with proposed law, citing the 1989 decision in *Williams v. State of Louisiana, through the Office of Motor Vehicles* as precedent. *Williams v. State* addressed the assessment of a handling fee collected at the time of renewal. The Legislative Fiscal Office cannot confirm or deny the constitutionality of proposed law and prepared this analysis without regard to the proposed legislation's constitutionality.

Note 2: Proposed law does not preempt persons in parishes governed by the US Clear Air Act from obtaining an emissions test only and paying the accompanying \$8 fee to persons performing the test. For reference, the emissions tester retains \$6 of the \$8 fee and the Dept. of Environmental Quality receives the remaining \$2. The Dept. of Environmental Quality will still receive the \$2 associated with emissions tests under the provisions of proposed law.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director